



SENATOR

**Eric Oemig**

E-Newsletter - 45th District, Kirkland

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**45th Legislative District**

**Nov. 3, 2009**

Dear Friends and Neighbors,

My friend came over for dinner two Thursdays ago. He was pretty dramatic in telling how corporate officers flew into town, called a meeting... and then closed his office. Over 70 people were laid off on the spot — with no advanced warning.

Those numbers are not included in this latest unemployment report.

Ironically, at the same time we are seeing layoffs, other people keep ranking Washington as a great place to do business.

Here's some of the good and bad news.

### **The latest unemployment update**

The estimated unemployment rate for **September is 9.3% — up from a revised estimate of 9% for August.**

**Washington lost approximately 16,000 jobs in September.** About 1/3 of these jobs were in K-12 — and the loss is attributed largely to a correction in the seasonal adjustment process. We see a similar pattern every year, with K-12 *appearing* to change significantly up or down in August and September. The seasonal adjustment calculations don't seem to accommodate the school contracting processes very well.

The largest job losses were: government (-7,100 - mostly K-12), manufacturing (-2,700) and construction (-2,300). The biggest gains were retail (+300), transportation (+100) and information (mainly in software publishing) (+100).

### **Interesting data to compare**

This looks at the peak unemployment rates and percentage of jobs lost in this recession compared to the past 4 recessions.

**Comparing recent recessions  
Thru August 2009**

	<b>US Maximum Unemployment Rate</b>	<b>US Percent Job Loss</b>	<b>WA Maximum Unemployment Rate</b>	<b>WA Percent Job Loss</b>
<b>1969-70</b>	6.1%	-0.6%	---	-6.3%
<b>1980-82</b>	10.8%	-2.7%	12.2%	-4.4%
<b>1991-93</b>	7.8%	-1.4%	7.5%	-0.4%
<b>2000-02</b>	6.3%	-0.3%	7.6%	-3.1%
<b>2007- ?</b>	<b>9.7%</b>	<b>-3.9%</b>	<b>9.2%</b>	<b>-4.0%</b>

**More Data - Unemployment claims for the week of Sept. 27-Oct. 3, 2009**

- **New claims:** The number of newly filed unemployment claims was 12,909 compared to 10,580 for the same week in 2008. The current four-week moving average is now 16% higher than the four-week moving average at this time last year — and 17% higher than at this time in 2002, during the last recession.
- **Ongoing, "continued" claims (beyond the first week):** The number of continued claims was 118,788 compared to 58,057 for the same week in 2008. The current four-week moving average is now 119% higher than the four-week moving average at this time in 2008 — and 40% higher than 2002.
- **Emergency Unemployment Compensation:** There were 4,992 new claims and 70,552 total claims submitted.
- **Extended benefits:** There were 878 new claims and 10,535 total claims submitted.

**Washington ranks among the best states in the country for doing business**

Two national organizations recognized Washington's strong business climate last week. First, The Tax Foundation ranked us the **ninth** friendliest state in which to business, up from 12<sup>th</sup> place the year before. Then Forbes.com ranked us the **second** best state for business in the country, behind only Virginia and up from third place the year before.

The Tax Foundation describes its 2010 State Business Tax Climate Index as "a tool for lawmakers, businesses and individuals alike to gauge how their states' tax systems compare."

The Forbes rankings measure, among other things, the cost of doing business in each state; labor supply; regulatory environment; current economic climate; energy costs; taxes; growth prospects; and quality of life. According to Forbes.com, a key component among top-ranked states is an expanding, educated work force — a prime focus of the Senate's Higher Education and Economic Development, Trade & Innovation committees in recent years.

These rankings confirm something we've worked hard in the Legislature to establish — making Washington a great place to do business.

These two newest rankings are consistent with scores our state has received in the past 12 months from numerous other independent associations that rate states on business-focused measures:

- U.S. News & World Report's "7 Best States to Start a Business" in 2009, ranks Washington first.
- The Kauffman Foundation's 2008 State New Economy Index rates our state second in the nation.
- The 2008 State Competitiveness Report from the Beacon Hill Institute at Suffolk University rates sixth in the country in ability to "attract and retain businesses and to provide a high standard of living for its residents in the long run."
- Even looking just at taxes and nothing else, we stack up well. The Small Business & Entrepreneurship Council's 2009 Business Tax Index rates our state fourth best in the country.

Do these ratings mean our economic problems will go away? No — we're still dealing with the effects of an international recession. But, as we work through the process of economic recovery, our state's positive business climate positions us to recover faster than others. That's good news for everyone in Washington.

Do these high scores mean we can sit idle on tax policy? No — our B&O tax is still an embarrassment and very anti-small business. As we continue to optimize how we deliver service, we need to improve how we fund service delivery.

Sincerely,



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